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I have now had a meeting with the Permanent Secretaries of the Departments most concerned and can add to my initial comments of 28 October on the Home Secretary's minute of 23 October.

- 2. There is general agreement that the emergence of a disaffected and riot-prone pool of young people in our cities is something that has to be tackled as a specific issue, in addition to the arrangements which have recently been set up for improved co-ordination of inner-city spending. It is clear that this is not entirely a racial problem, although the disaffection of young blacks has played an important part. What is required, therefore, are measures which will serve to limit and then reverse the alienation of young blacks (and Asians) from our society, without discriminating against those whites who are in similar circumstances.
- 3. This will be no easy task. It will not be enough just to pursue those specific inner-city initiatives already in train though we should certainly do that. We need also to affect in some way large sectors of Government activity undertaken through main programme expenditure. Such activities and expenditure for example, social security are generally speaking deliberately non-discretionary and non-discriminatory. In these cases, what may be required is an alteration in the way in which the Government's operations on the ground are actually perceived by the alienated: it is a question of presentation rather than money. Other major programmes are carried out through local authorities, and the problems there are well known to you, but that is no reason why we should not work along the same lines with those authorities who are prepared to co-operate.

- What we need now is not so much a matter of bureaucratic co-ordination but rather a redefinition of policy objectives and a political initiative. We need to further refine or add to the objectives of urban policy agreed by MISC 104, with a view to taking action which would remove both the actuality and the appearance of disadvantage and discrimination in the inner cities. I believe that this will require a considerable amount of effort and drive from a senior Minister, supported by a small unit of vigorous officials, and possibly with the assistance of well-known and respected outside figures. I think that he should be invited to chair a new group of Ministers from the Departments mainly concerned; and the official in charge of the unit should chair an interdepartmental group of officials from the same Departments. But the raison d'être of these groups would be, not to achieve a consensus, but to support the lead Minister in fulfilling the objectives. He would need to bring about changes in the emphasis, approach and procedures of other Government Departments. New money might be required, but probably not great sums: none of us believe that these problems will be solved simply by increased expenditure.
- 5. I wondered whether the Chancellor of the Duchy of Lancaster might be asked to take this on; but I assume that he has enough to do already; and perhaps that would make the initiative look too "party". So I suggest that the Paymaster General would be a good candidate for this role, if he would do it. The subject matter is close to his departmental responsibilities, and I would judge that he would have both the time available to devote to the task the considerable effort required, and the energy and political effectiveness which will be needed. He would of course require the full authority of Cabinet to pursue his remit across departmental boundaries. For outside support, we could think of someone with the stature and experience of Peter Newsam (if a suitable black candidate of this kind could be found, it would have presentational advantages; but it is not easy to see who it might be).

I understand that you have agreed to an early meeting with the Ministers most closely concerned. I suggest that the Lord President, the Home Secretary, the Secretaries of State for Trade and Industry, Social Services, Education and Science, Employment and the Environment, the Chancellor of the Duchy and the Chief Secretary should be invited. The Secretary of State for Scotland has put in a bid to be present (Mr Ancram's minute of 31 October): if he is invited, presumably the Secretaries of State for Wales and Northern Ireland should be invited too. If you agree with my proposal, I suggest that the Paymaster General should be approached in advance of this meeting and also be invited. I would prepare a paper for the meeting which would set out at greater length the ideas outlined above.

ROBERT ARMSTRONG

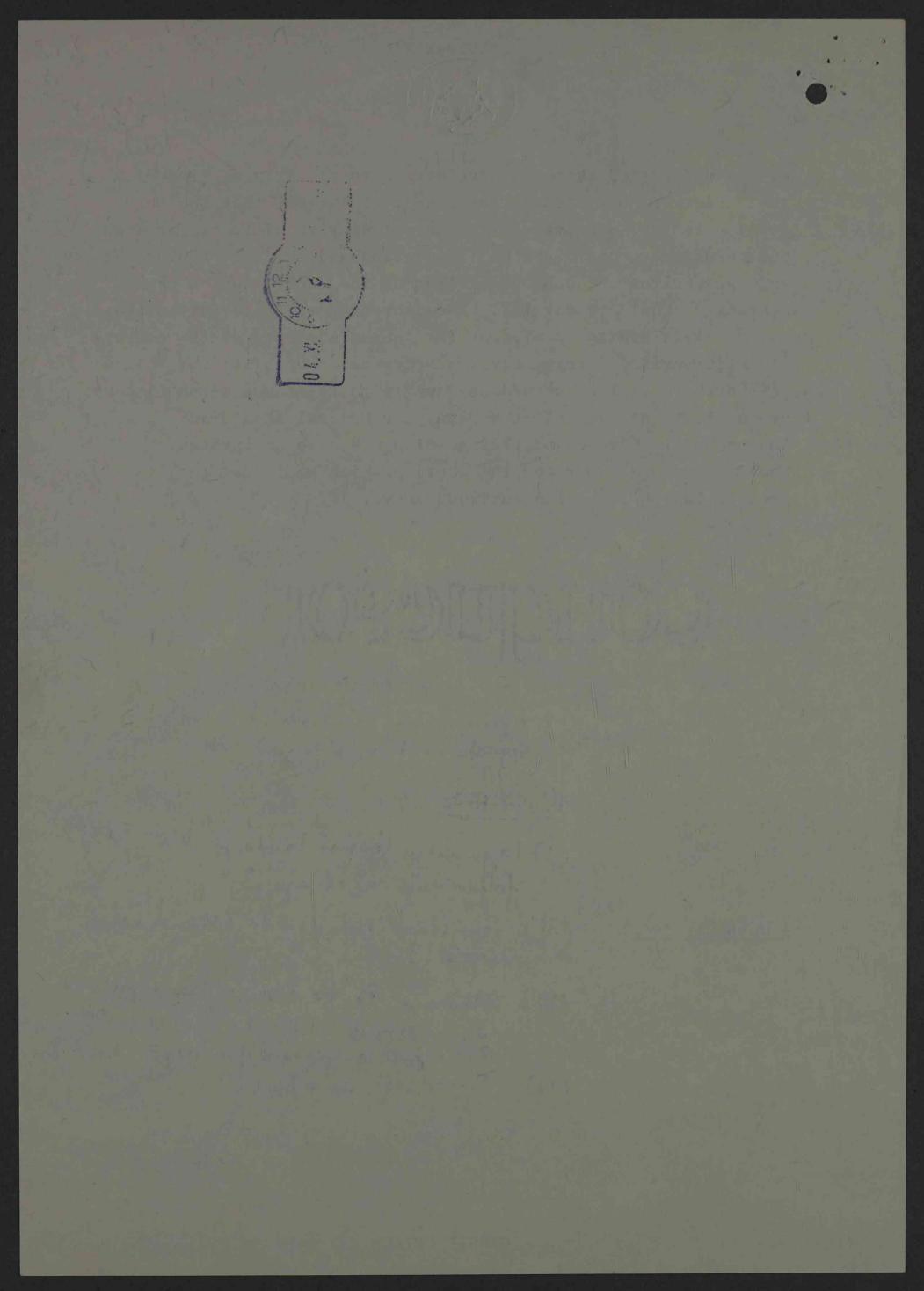
Approved by Sir Robert and Signed in his absence

Questions

4 November 1985

- (i) Paymarter General to chair the follow-up meetings?
- (ii) Temporal Thirites to attend next
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  (iv) Otherwise as above?

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10 DOWNING STREET

From the Private Secretary

MR STARK CABINET OFFICE

The Prime Minister has now seen Sir Robert Armstrong's minute of 4 November following earlier exchanges on the arrangements for improved coordination of inner city spending. Before deciding how to proceed she wishes to hold the meeting envisaged in those earlier exchanges and I understand that this has been arranged for 14 November after Cabinet. She agrees that the Ministers proposed in Sir Robert's minute should be invited to that meeting but has not yet reached a decision on whether territorial Ministers should be so. We will contact you again to confirm the Prime Minister's final views on attendance within the next day or so.

(TIM FLESHER)

7 November 1985

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